

Agenda Item #

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DISTRIBUTION

County Board
County Clerk
County Administrator
Village of Libertyville

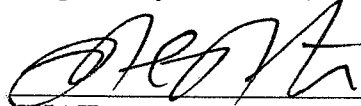
STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

COUNTY BOARD, LAKE COUNTY, ILLINOIS
ADJOURNED REGULAR SEPTEMBER A.D., 2007 SESSION
MAY 13, A.D., 2008

MADAM CHAIR AND MEMBERS OF THE COUNTY BOARD:

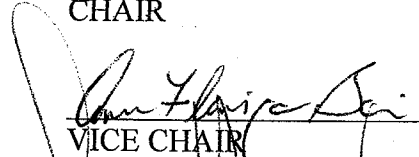
Your Financial and Administrative Committee presents herewith a Resolution approving and authorizing the County Board Chairman to execute an Intergovernmental Agreement with the Village of Libertyville supporting the extension of the Tax Increment Financing (TIF) district in downtown Libertyville; and request its adoption.

Respectfully submitted,

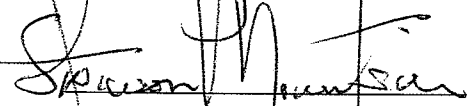


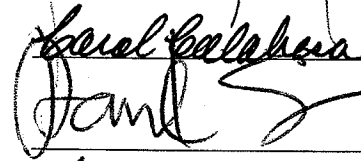
Aye Nay
X

CHAIR

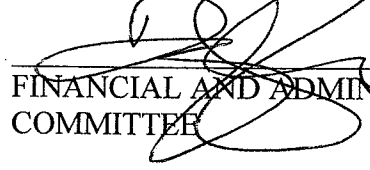


VICE CHAIR









FINANCIAL AND ADMINISTRATIVE
COMMITTEE

RESOLUTION

WHEREAS, the Village of Libertyville established a Tax Increment Financing (TIF) district in December 1986 to provide financing for the redevelopment of downtown Libertyville; and

WHEREAS, the Downtown TIF district is due to expire in December 2009; and

WHEREAS, following completion of parking studies conducted in the downtown area which indicate that a parking shortage exists, the Village is seeking accomplish various parking improvements in the downtown area; and

WHEREAS, the Village has requested that legislation be passed to extend the life of the downtown TIF district for an additional twelve (12) years to December 2021; and

WHEREAS, the Village is seeking the support of local taxing bodies as it works to get legislative authorization for the TIF district extension; and

WHEREAS, as part of this effort, the Village is willing to enter into Intergovernmental Agreements with local taxing bodies and commit to declare a surplus on an annual basis, with said surplus to be distributed to the local taxing bodies, including Lake County; and

WHEREAS, it is in the best interest of the County to support the efforts of the Village of Libertyville in its efforts to gain passage of the appropriate legislation and to provide for the annual distribution of a surplus to the local taxing bodies as set forth in the Intergovernmental Agreement, a copy of which is attached hereto and made part hereof.

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that:

Section 1. Recitals. The recitals set forth above are incorporated as part of this Resolution by this reference.

Section 2. Approval of Settlement Agreement. The Intergovernmental Agreement, a copy of which is attached hereto and made hereof, is hereby approved.

Section 3. Chairman Authorized to Execute. The County Board Chairman is hereby authorized to execute the Intergovernmental Agreement.

DATED at WAUKEGAN, LAKE COUNTY, ILLINOIS, on this 13th day of May A.D., 2008.

INTERGOVERNMENTAL AGREEMENT

AGREEMENT made and entered into this day of , 2008, by and between the Village of Libertyville (hereinafter the "Village") and the County of Lake, Illinois (hereinafter the "County");

WITNESSETH

WHEREAS, the Village is a municipality organized and existing under the laws of the State of Illinois and is a unit of local government under the provisions of the Illinois Constitution; and

WHEREAS, the County is a county organized and existing under the Illinois Counties Code, as amended, 55 ILCS 5/1-1001, et. seq.; and

WHEREAS, pursuant to Ordinance No. 86-O-58 adopted December 23, 1986, the Village approved a tax increment development plan and project, designated the tax increment redevelopment project area and adopted tax increment financing relative to the Libertyville Downtown Tax Increment Financing (TIF) Redevelopment Area (hereinafter "the Downtown TIF District"); and

WHEREAS, the Downtown TIF District is scheduled to expire in December 2009; and

WHEREAS, since this redevelopment area was established in 1986 a number of important projects have improved the downtown and have helped solidify the long-term economic viability of the area to the benefit of the Village's residents and all impacted Taxing Districts, including: Libertyville Elementary District 70; Lake County Forest Preserve District; Community High School District 128; Libertyville Township; Central Lake County Joint Action Water Agency; Cook Memorial Library District; College of Lake County and County of Lake (hereinafter collectively referred to as the "Taxing Districts"); and

WHEREAS, recent parking studies have identified a shortage of parking in the downtown area, and the Village of Libertyville Board of Trustees believes that if the Downtown TIF District were extended for an additional 12 years (with tax collection in the 13th year) to December 2021, the Village could accomplish various parking improvements that would enhance the downtown and ensure long-term viability, while at the same time increasing the community's overall equalized assessed valuation (EAV) which would benefit all Taxing Districts; and

WHEREAS, the Village has requested the State Legislature to amend the TIF Act to extend the term of the TIF District by twelve years to December 2021; and

WHEREAS, the Village, is seeking the County's support for the aforesaid legislative amendment and in consideration of the County's support for such legislation, is willing to commit to declaring a surplus on an annual basis to be paid to the County, as well as all the other affected Taxing Districts, all as set forth in Paragraphs 4 and 5 hereof; and

WHEREAS, it is in the best interests of both the Village and the County to support such legislation and provide for the distribution of a surplus to the Taxing Districts; and

WHEREAS, Article VII, Section 10, of the Illinois Constitution (1970), and The Intergovernmental Cooperation Act, as amended, 5 ILCS, 220/1, et. seq., provide authority for inter-governmental agreements and cooperation between units of local government and school districts; and

WHEREAS, the Tax Increment Allocation Redevelopment Act (TIF Act) authorizes municipalities to enter into contracts necessary to implement or maintain a TIF redevelopment plan, or project.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by both parties hereto, the parties hereto agree as follows:

1. The Village acknowledges that the purpose of the extension of the TIF District is to provide funding for needed parking improvements in the downtown area, based on a parking study conducted by Rich & Associates and based on preliminary design and construction estimates by Walker Parking consultants. The proposed parking improvements are based on the Village Comprehensive Plan and include the following: reconstruction of 130 surface parking spaces on the west side of Milwaukee Avenue (between Cook and Lake streets) at an estimated cost of \$525,000, and with a contingency for burying overhead utility lines in the range of \$500,000 to \$1 million; construction of an approximate 300 space parking deck on the east side of Milwaukee Avenue (location not yet determined) at an estimated cost of \$7 million; reconstruction of approximately 105 surface parking spaces located on the east side of Milwaukee Avenue (between Cook and School Street), at an estimated cost of \$450,000, along with a contingency for burying overhead utility lines in the range of \$500,000 to \$1 million; and costs associated with future land or easement acquisition on the east side of Milwaukee Avenue for the parking improvements in the range of \$3 million to \$5 million. All of the foregoing shall hereinafter collectively be referred to as the "Parking Improvements".
2. The Village further acknowledges that the Parking Improvement Expenditures to be funded from the extended TIF shall be limited to land or easement acquisition, engineering fees, architect fees, legal fees, surveying fees, utility fees, construction contracts, construction costs, landscaping, signage, insurance and any other similar expenditures related directly to the construction of the parking improvement (hereinafter the "Parking Improvement Expenditures"). The parties intend that the term "Parking Improvement Expenditures" be narrowly construed. The Village agrees that the total Parking Improvement Expenditures should not exceed \$15 million from revenues generated by the extension of the Downtown TIF District.

3. The Village further acknowledges that the TIF allows it to receive property tax dollars that would otherwise have been distributed to all Taxing Districts whose boundaries include the Downtown TIF District based upon the difference between the taxes generated in the base year of the TIF, 1986, and the current year. These tax dollars are placed in a "TIF Fund."
4. The Village shall request its local legislative representatives to sponsor legislation to amend the TIF Act to permit the Libertyville Downtown TIF District to be extended by 12 years to the year 2021 (35 year total term), and this Agreement shall become effective only if said legislation is enacted.
5. Beginning with the 2009 TIF levy, collected in 2010, and until the Downtown TIF District expires with the 2021 levy, the Village will declare a surplus equal to not less than 70% of the annual property tax increment. For the purposes of this agreement, "increment" is defined as the ad valorem property taxes generated by the difference between the base Equalized Assessed Valuation (EAV) of the Downtown TIF District, established in 1986 in the amount of \$11,765,715.00, and the applicable tax year total EAV. The Village agrees that the 30%, or less, increment it retains will be held in the TIF und and used only for items specified in Paragraphs 1, 2, 9 and 12.
6. Once the Village enters into contracts for the design and construction of all of the Parking Improvements identified in Paragraph 1 above, the Village first shall use the money in the TIF Fund to pay the cost of the Parking Improvements. If sufficient funds are not available in the TIF Fund to pay for the amounts due under the contracts, the Village will finance the balance of construction costs to pay for the Parking Improvements. In the event that the Village undertakes such financing to pay for all remaining costs for the design and construction of the Parking Improvements the annual surplus shall be the greater of: (1) 70% of the annual property tax increment, or (2) the annual increment plus any interest and earnings in the TIF Fund, less any principal and interest payments made by the Village during the subject year in connection with the financing of the Parking Improvements and the Additional TIF Expenses (defined below).
7. The Village agrees that all interest earnings obtained from TIF revenues will be utilized for Parking Improvements, including payment of any bond principal and interest, prior to the use of any property tax increment.
8. The Village shall declare a surplus annually on or before February 28, for the prior year TIF payments. Once the surplus is determined, the funds will be wired to Lake County and then distributed to the Taxing Districts proportionately based on the tax rates.
9. Beginning with the 2009 tax levy, collected in 2010, the Village will utilize the TIF Funds solely for the Parking Improvements. Said TIF Funds may also be

used for the payment of customary TIF expenses, including, audit fees, trustee fees, arbitrage rebate, and administrative fees (hereinafter, "Additional TIF Expenses"). Additional TIF Expenses will not exceed \$20,000 annually. The Village agrees to annually provide all of the taxing districts with itemization of the Parking Improvement Expenditures and the Additional TIF Expenses.

10. In accordance with the TIF Act, no operational nor maintenance expenses related to the parking improvements will be paid from the Village TIF Fund. Should the Village complete the construction and funding of parking improvements prior to December 2021, the Village will end the TIF in the year construction and funding is completed, unless the Village and the taxing districts otherwise agree. Upon the termination of this Agreement or expiration of the TIF, the Village will return to the respective taxing districts their pro rata share of the unused TIF Funds.
11. The parties agree to arbitrate any disagreement over the terms and conditions of this Agreement, including any claim of breach by one party against another. The party seeking arbitration shall make a written demand and name one or more potential arbitrators. If the parties cannot agree on an arbitrator within seven days, the parties agree to use the American Arbitration Association and its procedures.
12. The parties agree that if any provision of this agreement is found to be invalid by a court of competent jurisdiction, it shall not affect the validity of the remaining provisions of this agreement which shall remain in full force and effect. The Village agrees to defend and indemnify the County against any claim brought against the County pertaining to the County's participation in this agreement and the validity of this agreement or any provision contained herein. The Village agrees that the County may retain counsel of its selection in connection with the defense of any action as to which this indemnification clause applies. In the event that the Village is required to defend or indemnify the County pursuant to this paragraph, the Village may include within the Additional TIF Expenses any amounts paid by the Village to or on behalf of the County for attorneys fees and/or indemnification arising from this paragraph.
13. This agreement shall be binding on the parties hereto and their successors.
14. This Agreement represents the entire Agreement between the Village and the County. No amendment, waiver or modification of any term or condition of this Agreement shall be binding or effective for any purpose unless expressed in writing and adopted by each of the parties as required by law.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed by their respective authorized officials.

VILLAGE OF LIBERTYVILLE, ILLINOIS

COUNTY OF LAKE

By: _____
Jeffrey A. Harger, Village President

By: _____
President

ATTEST:

ATTEST:

Sally A. Kowal, Village Clerk

Secretary